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UNIVERSITI  
TEKNOLOGI  
MARA

**A COMPARISON BETWEEN MALAYSIA AND SINGAPORE  
STOCK INDEX: MACROECONOMIC VARIABLE**

**NURUL NATASHYA BINTI TAIB  
2014967227**

**BACHELOR OF BUSINESS ADMINISTRATION  
(HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
SEGAMAT, JOHOR.**

**5<sup>th</sup> JANUARY 2017**

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**Submitted in Partial Fulfilment  
Of the Requirement for the  
Bachelor of Business Administration (Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT  
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**“DECLARATION OF ORIGINAL WORK”**

I, Nurul Natashya Binti Taib

2014967227

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being submitted for this degree or any other degrees.
- This project paper is the result of independent work and investigation, except stated otherwise.
- All verbatim extracts have been distinguished by quotation marks and sources of any information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## LETTER OF SUBMISSION

5<sup>th</sup> January 2017

Miss Sharazad Binti Haris

Department of (Hons.) Investment Management

Faculty of Business Management

UiTM Johor, Segamat Campus

Box 527, 85000 Segamat

Johor, Malaysia

Dear Sir,

Attached here is the project paper titled '**A COMPARISON BETWEEN MALAYSIA AND SINGAPORE STOCK INDEX: MACROECONOMIC VARIABLE**' to fulfil the requirements as needed by the Faculty of Business Management, Universiti Teknologi MARA.  
Thank you.

Yours sincerely,

Nurul Natashya Binti Taib

2014967227

Bachelor of Business Administration (Hons) Finance.

## ABSTRACT

The paper analyzes a comparison between Malaysia's and Singapore's stock index towards macroeconomic variables such as interest rate, consumer price index, exchange rate, and gross domestic product. For these case using time series techniques of cointegration and vector autoregression. In the analysis, we rely on variance decompositions and impulse-response functions to gauge the strength of the interactions among the variables. The data selected for these cases consists of annually data from stock index market from KLCI and STI. The lending rate is base on study the interest rate, exchange rate represent by Malaysia Ringgit (MYR) to US Dollar (USD) and Singapore Dollar (SGD) to US Dollar (USD), consumer price index (CPI) represent inflation and gross domestic product (GDP) represent the growth economy of country. The data will be collect and gathered for evaluate and compare to find the significant results of the study.

The research consists period of 35 years with annually data analysis from 1980-2015. In addition, this research can be a good guide and produce accurate results to the individuals who want to make an investment decision. The person who wants to participate in the stock market also can use this result for their guidelines when he or she wants to make an investment trading.